

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, NOVEMBER 19, 2014 AT 4:00 PM

IN THE MARY BRENNAN BOARD ROOM

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (Corporation) Board of Directors was called to order by Chair, Jon Savage at 4:11 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Jon Savage; Russell Hahn; Deborah Thomas; Michael Traficante; John Justo and Paul Carroll.

BOARD MEMBER ABSENT: Bradford Dimeo.

ALSO PRESENT: Kelly J. Fredericks, P.E., A.A.E., President and CEO; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Carroll and seconded by Ms. Thomas to

approve the minutes of the Board of Director's Meeting of October 15, 2014 and the Special Board of Director's Meeting of November 6, 2014.

The motion passed unanimously.

2. Open Forum:

Mr. Savage asked if anyone present wanted to speak in Open Forum. No one came forward.

3. Report from President and CEO:

Mr. Fredericks presented the President and CEO Report and reported on the following:

- Mr. Fredericks reported passenger travel was down 6.14% for the month and down 6.23% year to date. Seating capacity was down approximately 7%. For the prior month, JetBlue was up 15.71% with no change in seating capacity, US Airways was up 2% on 3% less seating capacity, Cape Air was up 100% due to Block Island service and Delta was up 3.04% on a 3% seating capacity decrease. It was noted that Southwest Airlines carried 8.68% less passengers on a 5% seating capacity decrease and United carried 34.7% less passengers on 34% less seating capacity.**

Mr. Fredericks noted the rate of capacity reductions are not expected to improve through the end of the year.

- **Mr. Fredericks reported air cargo was up 3.82% for the month and up 3.65% year to date. It was noted the continuous upturn in cargo is primarily associated with goods being shipped out of T. F. Green Airport.**

- **Mr. Fredericks reported the Go Green Partnership meetings with strategic local businesses and the Providence Chamber of Commerce have been completed. Mr. Fredericks reported a series of strategic meetings with specific businesses will be scheduled to support air service development initiatives.**

- **Mr. Frederick reported significant marketing and promotional efforts are underway in advance of the June 2015 start of service for Condor Airline's Frankfurt, Germany service.**

- **Mr. Fredericks reported parking revenue for the prior month was down 2.4% with ticket sales down 5.7%. Mr. Fredericks stated RIAC will promote initiatives to encourage on-airport parking.**

- **Mr. Fredericks provided an update on the general aviation airports and noted it was a good month overall with operations up 2.2%, fuel sales down 6% and AvGas sales up almost 34%. Decreased jet fuel**

sales at the GA airports are attributed to the closure at Quonset Airport, with a portion of the sales being recaptured at T. F. Green State Airport.

- **Mr. Fredericks stated a decision on the selected airport to the host the 2015 AOPA Fly In Event has not yet been made. Mr. Fredericks stated 40 proposals have been submitted. An update will be provided to the Board as soon as it is available.**

- **Mr. Fredericks reported the General Aviation Working Group meeting has been scheduled for November 20th. Both pilots and business representatives from the six Rhode Island airports have been invited to participate in an interactive exchange of information. The goal of these meetings is bridge a common perspective between general aviation users and RIAC.**

- **Mr. Fredericks reported the \$1.4 Million dollar rehabilitation of the office space at Newport Airport is scheduled to be completed on November 26th. Mr. Fredericks stated an event to showcase these improvements is being scheduled.**

- **Mr. Fredericks reported NASAO has issued its monthly newsletter and showcased the success of the conference held in Providence in September 2014.**

- **Mr. Fredericks reported that, in response in the growing amount of**

construction related activities at T. F. Green State Airport, there has been an increased focus on community outreach efforts including a number of scheduled public meetings to

discuss a myriad of issues including construction, air quality monitoring and the residential sound program and obstruction removal.

- Mr. Fredericks reported there has been no impact at T. F. Green from the Ebola outbreak. Mr. Fredericks noted a high level inter-agency Tabletop Coordination Meeting was held at T. F. Green Airport to share information on this outbreak.**

- Mr. Fredericks reported legislation on federal reauthorization will expire September 30, 2015 and is being monitored closely. Mr. Fredericks stated there may be the opportunity to support initiatives such as increasing the Passenger Facility Charge (PFC) due to inflation. Mr. Fredericks stated draft testimonial points will be brought to the Board in December for consideration.**

- Mr. Fredericks reported drainage work at Quonset Airport continues and the runway is expected to be fully operational later this month.**

- Mr. Fredericks reported the October 13th collection target for the Glycol Recovery Project has been met and this project is on target to**

meet the March 31, 2015 operating deadline.

- **Mr. Fredericks provided an update on the Airport Expansion Program and noted the project is on scheduled and on budget. Mr. Fredericks noted the flat work at the new Winslow Park is being completed and the project is on target for completion in July 2015. It was noted that Runway 34 will be open for use on December 4th. Mr. Fredericks reported design of Main Avenue will commence next year with construction scheduled for 2016 and completion in 2017.**

- **Mr. Fredericks reported tours of the project sites have been provided to representatives of RIDEM, Mayor Avedesian, Mr. DePasqale and Senator Reed's staff to enhance understanding and communication with state and federal officials.**

4. Pension Committee Update.

Ms. Penta reported the Pension Committee met prior to the Board Meeting to review RIAC's pension and investment options. The plan is performing as expected and no changes were recommended to investment options.

Ms. Penta reported the Committee discussed adding a portfolio strategy website tool available through Principal to provide plan participants with investment options based on risk tolerance and target date of retirement. It was noted there is no cost to add this tool

to the plan. Ms. Penta stated the Committee was in agreement to add this tool. Approximate date for implementation is February 2015. Information will be sent to RIAC employees.

5. Action Items:

(a) Consideration of and Action Upon Approval of a Professional Services Agreement for Security Guard Services.

Mr. Fredericks provided an overview of the item noting the firm currently providing these services has been re-selected and will provide these services at the same rates as the current contract. Ms. Thomas asked if overtime fees are incurred for these services and if those fees have been budgeted. Mr. Schattle stated that historically there has been limited overtime which has been incorporated into the budget. The recommendation is that the Board authorizes the President and CEO, or his designee, to enter into a one year Professional Services Agreement with Command Security Corporation to provide Security Guard Services at T. F. Green Airport and/or any RIAC owned or leased property at a rate of \$14.65 per hour, which is included in the Fiscal year 2015 budget, with two additional one year terms at the discretion of RIAC.

A motion was made by Mr. Hahn and seconded by Mr. Carroll to

approve the following resolution:

WHEREAS, on September 3, 2014, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) for Security Guard Services at T. F. Green Airport and/or any RIAC owned or leased property; and

WHEREAS, on September 10, 2014, RIAC held a pre-proposal meeting and site visit at T.F. Green Airport and subsequently, on September 24, 2014, received seven (7) proposals in response to this RFP; and

WHEREAS, upon review of the submissions, one proposal was deemed non-responsive as the proposer did not meet the insurance requirements as specified in the RFP; and

WHEREAS, the Selection Committee comprised of Leo Messier, Police Chief; Steve Cahill, Deputy Police Chief and Carla Diggett, Financial Analyst and Administrator met to review and rank the proposals; and

WHEREAS, the Selection Committee, based on the evaluation criteria specified in the RFP, independently and unanimously selected Command Security Corporation to provide these services; and

WHEREAS, the approved RIAC Fiscal Year 2015 Operating and Maintenance budget includes \$219,780 for these services.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval to Request Rhode Island Department of Transportation to Exercise its Condemnation Authority to Acquire Avigation Easements at Westerly State Airport and Newport State Airport.

Mr. Fredericks asked Mr. Frazier to provide an overview of this item. Mr. Frazier stated the proposed new methodology of this acquisition will mirror RIDOT procedures. It was noted a similar request seeking condemnation was passed in February 2014 and that these avigation easements are necessary for maintaining safety and are consistent with

federal law. Ms. Thomas asked how this request for condemnation to acquire easements is different from the prior request. Mr. Frazier stated these properties had been included in a prior task order covering a different scope of work. The appraisals of these properties have now been completed and RIAC is seeking authority to condemn and acquire these easements. Ms. Thomas asked when this project would be complete. Mr. Frazier stated letters will go out to the property owners in January and a grant will be submitted in May with the project rolled out early next year. Mr. Frazier stated that RIAC staff will meet with both Middletown and Westerly Town Councils to discuss these properties. The recommendation is that that the Board authorizes the President and CEO, or his designee, to

request the Director of the Rhode Island Department of Transportation to exercise the Rhode Island Department of Transportation's power to acquire easements by condemnation at both Westerly State Airport and Newport State Airport (as identified respectively in Exhibit A and B) and authorize the Rhode Island Airport Corporation to enter into a Memorandum with the Rhode Island Department of Transportation to agree to pay the costs associated with the condemnation process

A motion was made by Mr. Carroll and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, obstructions have been identified in approved Federal Aviation Administration (FAA) Airspace Analyses for the Westerly State Airport and Newport State Airport; and

WHEREAS, in order to protect the approach and transition surfaces at Westerly State Airport and Newport State Airport, the Rhode Island Airport Corporation (RIAC) is required to remove these obstructions; and

WHEREAS, failure to remove these obstructions will result in the FAA adding restrictions to operational capabilities of these airports; and

WHEREAS, as part of the Fiscal Year 2015 RIAC Capital Improvement Program (CIP), RIAC budgeted the costs associated for the

acquisition of and subsequent removal of the obstructions; and

WHEREAS, in May 2015, RIAC will submit a grant application for reimbursement of these costs, funded 90% from the FAA and 10% RIAC.

The motion was passed unanimously.

(c) Consideration of and Action Upon the Formation of an Executive Compensation Committee.

This item was deferred to the December 17, 2014 meeting.

(d) Consideration of and Action Upon Approval of Meeting Schedules for 2015.

This item was deferred to December 17, 2014 meeting.

A motion was made by Mr. Hahn to amend the executive session pursuant to R.I.G.L. § 42-46-5(a)(7) to amend the addenda to add a discussion item for investment of public funds where premature disclosure would be detrimental to the public interest related to a hangar project. The motion was seconded by Mr. Carroll. The motion passed unanimously.

6. Executive Session:

At approximately 4:50 p.m. a motion was made by Mr. Hahn and seconded by Mr. Carroll to go into Executive Session for the purpose of discussing the following items:

(a) Motion to Approve the Minutes of the Executive Session held on October 15, 2014 and the Executive Session held on November 6, 2014 § 42-46-5(a)(1),(2) and (7); and

(b) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Air Service Development and Hangar Project) – R.I.G.L. § 42-46-5(a)(7); and

(c) Discussions Related to the Acquisition of Real Property for Public Purposes at T. F. Green Airport – R.I.G.L § 42-46-5(a)(5); and

(d) Discussion Related to Personnel (Two issues Related to Job Performance) - R.I.G.L. § 42-46-5(a)(1); and

(e) Motion to Return to Open Session.

By the following roll call vote the motion was passed unanimously.

YEAS: Jon Savage

Russell Hahn

Deborah Thomas

Paul Carroll

Michael Traficante

John Justo

NAYS: None

ABSTAIN: None

The affected employees whose job performance was discussed in the executive session were given due notice that they could have that discussion held in public session. No one accepted this offer.

During the Executive Session Mr. Hahn left the meeting at approximately 5:48 p.m. and Ms. Thomas left at approximately 6:07 p.m.

At approximately 6:09 p.m., a motion was made by Mr. Carroll and seconded by Mr. Savage to return to the Open Session. The motion was passed unanimously.

7. Post Executive Session Actions and Announcements:

(a) Motion to Seal the Minutes of the Executive Session Held on October 15, 2014.

A motion was made by Mr. Carroll and seconded by Mr. Traficante to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote. The motion was passed unanimously.

YEAS: Jon Savage

Paul Carroll

Michael Traficante

John Justo

NAYS: None

ABSTAIN: None

(b) Report on Actions Taken in Executive Session.

During the Executive Session, a motion was made by Mr. Hahn to approve the sealed minutes of the Executive Sessions held on October 15, 2014 and November 6, 2014. The motion was seconded by Mr. Traficante.

The motion was passed as follows:

YEAS: Jon Savage

Russell Hahn

Deborah Thomas

Michael Traficante

Paul Carroll

Michael Traficante

John Justo

NAYS: None

ABSTAIN: None

8. Future Meetings:

The next Board Meeting will be held on Wednesday, December 17, 2014 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

9. Adjournment:

Mr. Carroll moved to adjourn at approximately 6:09 p.m. Mr. Savage seconded the motion. The motion was passed unanimously.

Respectfully submitted,

Jon Savage, Chair
Rhode Island Airport Corporation

PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, NOVEMBER 19, 2014

NAME AFFILIATION

Brian Schattle RIAC

Peter Frazier RIAC

Liberty Luciano RIAC

Patricia Goldstein RIAC

Sherri Ann Penta RIAC

Dan Porter RIAC

Bruce Wilde RIAC

Paul McDonough RIAC

Leo Messier RIAC

Alan Andrade RIAC

Doug Dansereau RIAC

Timothy Pimental RIAC

Joseph Ottaviano RIAC

Jeff Wiggins RIAC

Robert Geoff New England Parking

Jean Mor Hoyle Tanner

The minutes of the Executive Session of the Board Meeting of November 19, 2014, have been sealed in accordance with R.I.G.L. § 42-46-4.